

# **Dominion Energy**

## **Response to SC PSC Request – Bills at Various ROE Levels**

***November 2018***

# Estimated total typical residential electric bill

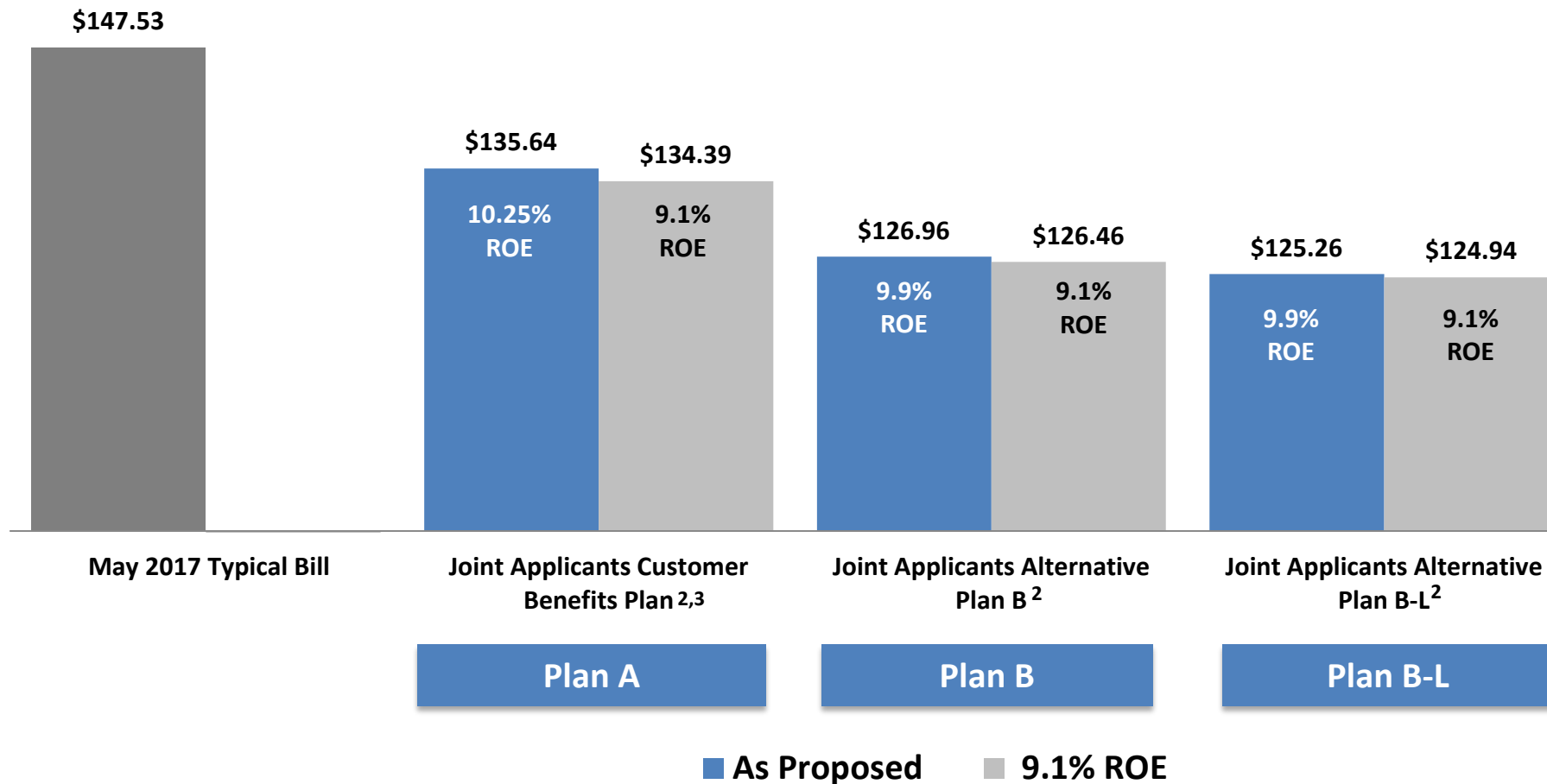
## *Comparison of Dominion Energy proposed plans at 9.1% ROE*

- The following page compares the typical monthly residential bill in year 1 for all Dominion Energy proposed plans at the proposed ROE and at a hypothetical 9.1% ROE
- As several Dominion Energy witnesses have testified, a 9.1% ROE would be detrimental to the merger economics and our ability to close the merger
- Although Exhibit 134 shows typical bills in year 1 for several plans, we have only produced a sensitivity for Dominion Energy proposed plans:
  - ✓ Plan A – Customer Benefits Plan
  - ✓ Plan B – Alternative Customer Benefits Plan
  - ✓ Plan B-L – Alternative Levelized Customer Benefits Plan
- We have not provided sensitivities for other plans as they are not Dominion Energy sponsored plans
- In addition, we have not provided sensitivities on the temporary rate as Act 258 does not provide sufficient detail in order to analyze such sensitivities, for example
  - Rate base and ROE are not specified in legislation
  - Legislation takes bills back to 2011 levels which implies:
    1. No amortization included
    2. Only includes financing costs for capital spent until 2011 (much below March 2015 levels)
- In summary, reducing the ROE to 9.1% reduces the typical monthly residential bill by \$1.25 compared to Plan A, 50 cents compared to Plan B, and 32 cents compared to Plan B-L

# Estimated total typical residential electric bill

## *Summary by plan as proposed and at hypothetical 9.1% ROE<sup>1</sup>*

Estimated total bill for illustrative purposes only



<sup>1</sup> Dominion Energy does not support the illustrative 9.1% ROE scenarios as they do not support merger economics, bill levels shown for illustrative purposes only. <sup>2</sup> Inclusive of estimated tax reform impacts and relative to May 2017 bill <sup>3</sup> Reflects year 1 bill reduction